



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing Renewal of Support Agreement for Electronic Customer Information Billing System from Alliance Data Systems, of Dallas, TX (\$62,456.62)

MEETING DATE: June 18, 2008

PREPARED BY: Information Systems Manager

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the renewal of the annual support agreement for Electronic Customer Information Billing System (ECIS) from Alliance Data Systems, of Dallas, TX, in the amount of \$ 62,456.62.

BACKGROUND INFORMATION: On April 15, 1998, the City Council adopted Resolution No. 98-61, in which it appropriated \$996,525.00 for the purchase and implementation of the Electronic Customer Information Billing System (ECIS) from Orcom Systems, of Bend, Oregon. The purchase was made following an exhaustive research and evaluation process in which many software products were examined.

The ECIS system has since been acquired by Alliance Data Systems, of Dallas, Texas, the system's current owner and vendor.

The ECIS system is one of two mission-critical computer applications operated by the City, the other being J.D. Edwards Enterprise Resource Planning software. ECIS is the centerpiece for the City's utility billing activities. In addition to other critical functionality, ECIS processes all electric and water meter reads and applies flat rate charges where appropriate. In addition, the system stores important customer information as well as billing history. The ECIS system has a direct relationship to the City's cash flow. Any significant interruption in the ECIS system would have an immediate negative impact on the City's finances, including its ability to render customer bills.

While the City employs three full time programmer-analysts to handle day-to-day system management activities, the City relies heavily upon the manufacturer to provide ongoing maintenance and support services for the installed software, for a fee. The annual support charge for the ECIS system is \$62,456.62, payable in two semi-annual payments of \$31,228.31. This support fee was substantially higher several years ago (previously \$85,000) until the charge was renegotiated.

Included in the support agreement are periodic software updates and security patches, plus telephone support for City programmers and technicians, should the need arise.

Staff feels it imperative to continue to have a maintenance and support agreement in force for this software.

APPROVED: _____
Blair King, City Manager

There are no suitable alternatives to not renewing this support contract. Unlike with many other software packages, there appear to be no third-party vendors offering support contracts for this system, nor would that likely be a recommended alternative if there were.

Given the criticality of this software, staff recommends renewing the support agreement with Alliance Data Systems in the amount of \$ 62,456.62, payable in two semi-annual payments of \$31,228.31.

FISCAL IMPACT: This item is budgeted.

FUNDING AVAILABLE: ISD SUBLET SERVICE CONTRACTS – 100411.7335

Kirk Evans, Budget Manager

James R. Krueger, Deputy City Manager

Prepared by Steve Mann

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING RENEWAL OF SUPPORT AGREEMENT
FOR ELECTRONIC CUSTOMER INFORMATION
BILLING SYSTEM

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the renewal of the annual support agreement for Electronic Customer Information Billing System (ECIS) from Alliance Data Systems, of Dallas, TX, in the amount of \$ 62,456.62, payable in two semi-annual payments of \$31,228.31.

Dated: June 18, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 18, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____